



Medical Care Advisory Committee Meeting

Minutes of Meeting
February 24, 2009
10:00 am – 12:00 noon

Members Present:

John Barber	John G. Black, MD
Lynn E. Connelly, R.Ph.	Charles P. Darby, MD
James M. DuRant, Jr.	Richard K. Harding, MD
Greta Harper, MD	Thompson A. Gailey, MD
C. Earl Hunter	Lyndon Key, MD
Jim Mercer, DDS	Andy Pope, DrPH
Ralph Riley, MD	Sabra C. Slaughter, PhD
Caughman Taylor, MD	

Members Absent:

Sue B. Berkowitz	J.T. McLawhorn
William P. Moran MD, MS	

I. Call to Order – Committee Chairman

Having ascertained the presence of a quorum, Dr. Darby called the meeting to order at 10:00 a.m. thanking everyone for adjusting their schedule to begin today's meeting thirty minutes earlier. Committee members and guest were asked to sign in and introduce themselves.

II. Approval of November 18, 2008 Minutes of Meeting – Committee Chairman

Upon motion and second, minutes of November 18, 2008 meeting were approved.

III. Director's Report and Program Updates– Emma Forkner, Agency Director

Ms. Forkner shared what has been happening at the agency since the last MCAC meeting and provided handouts including:

- SFY 2009 Budget Reduction Update
- FY 2010 Budget Presentation
- Stimulus Legislation
- Healthy Connections Choice Update
- SCHIP Legislation

Ms. Forkner referred to a letter that she sent to MCAC members in December sharing that she had received a letter from the Budget and Control Board instructing us to take 7% out of the Agency budget. She mentioned

two provisos that made it very complicated to do this reduction. One was a rate restriction proviso preventing the Agency from reducing rates and the other that requires we pay premium drug prices. At this point, the only thing we could do, as explained earlier, was to reduce services or beneficiaries. DHHS did have to deal with reducing or eliminating optional services lines. At the end of December, we were cut a total of 15.1% - \$137 million dollars since the reductions began - \$459 million in total funds.

Ms. Forkner shared charts from the Department of Revenue. The charts show the different pieces of revenue that this agency collects, and noted that you'll see what is happening within the system and why the budget reductions have been coming so fast.

DHHS' SFY 2010 Budget presentation for the House was in January 09. Ms. Forkner referred to her bar charts provided in the handouts. The House completed their work and there are no state dollars for us this year. Senate Finance hearing is scheduled for March 25, 2009.

Ms. Forkner next discussed the Federal Stimulus legislation. Everyone was reminded that the legislation was signed into law last Tuesday on February 17th – to date, CMS has not issued any guidance. We are still awaiting the details of drawing the money. Wednesday is the first day that you can draw the money down, and we have up to 1 year to do so. We are not ineligible for anything and have until July 1, 2009 to make changes and cannot officially be determined ineligible until then, according to legislation. CMS identified SC as 1 of 4 states required to make changes to avoid being ineligible. We will be able to get our stimulus money. We do have to go back and put in place any changes we have made to eligibility since July 08. The changes have to be restored. Ms. Jacobs will speak further on this later on the Agenda.

SC Medicaid is to receive an FMAP – Federal Medical Assistance Program – rate increase of about 6.2%. In general, our regular Medicaid has been about 70/30 split. Ms. Forkner again referred to her handouts and discussed several of the aspects.

House Ways & Means Subcommittee asked us to participate at a hearing on Managed Care. The Subcommittee and those who spoke agreed that our present course of action is acceptable. The general conclusion appeared to be that there was no need for a budget proviso requiring mandatory managed care; although, Representative Edge stated he would like savings associated with such a program. The Agency will conclude the rollout on May 1, 2009 and will continue emphasis on voluntary choice into a medical home network or a managed care organization. Handouts were again referred to for the number of counties the plans are in and the number of enrollees. 58% of the eligible populations are enrolled in a medical home network or a managed care organization.

Lastly, the SCHIP legislation was reauthorized. A handout of key aspects of this legislation was shared. The new SCHIP legislation is effective April 1, 2009 and extends through the Federal fiscal year 2013. It is funded with a national cigarette tax of 62 cents per pack. The BEA has projected 78 to 88,000 uninsured children, and we are not experiencing that at all. Ms. Forkner has asked them to reevaluate their estimate. Ms. Forkner shared that Ms. Jacobs is reviewing all the best enrollment practices from other states. Sue Berkowitz has been very helpful in sharing information.

VI. Fiscal Report – William Wells, Deputy Director, Finance and Administration

Mr. Wells shared FMAP slides/handouts to assist in explaining how the increased FMAP works and what the effect will be. Currently, for every dollar we spend, seventy cents is paid for by the Feds and thirty cents is paid for by the State. The charts show that we are projecting our expenditures for SFY 09 to be currently approximately 3.5 million dollars for DHHS Medicaid Services. From various sources, it takes about 1 billion dollars in state funds to support that level of expenditures, including the general funds. Our general funds base should support that same level of expenditures. This is assuming there are no additional cuts this year. Mr. Wells pointed out that in SFY 09 we would only receive the benefit of the increased FMAP money for 3 of the

4 quarters of this SFY because it would be retroactive back to October 1, 2008 – covering 3 quarters of SFY 2009. SFY 2010, we will be able to participate in all quarters.

Mr. Wells continued to share where DHHS is and where it is going. Discussion on general budget continued with member participation.

V. Eligibility Report – Alicia Jacobs, Deputy Director, Eligibility and Beneficiary Services

Ms. Jacobs shared the Enrollment Report and reminded everyone that DHHS is reporting all eligibles – not just the full benefit eligible. The bar chart reflects everyone eligible for a full or limited benefit. The numbers are slightly increasing. October 08 – 756,721 eligible for Medicaid or CHIP. The expansion program was started in April of 08 and 11,000 has been added to the rolls.

Next, Ms. Jacobs shared the Eligibility and Unemployment Chart - noting the number of eligibles increasing is very slight; however, plans are to continue to watch and monitor in regards to the unemployment issues. Ms. Jacobs noted that she would provide an update at the next meeting.

VI. Committee Advisement Items –

- a. Change in Medicaid Coverage of Cough, Cold and Expectorant Products
Presented by Felicity Myers, Deputy Director –Medical Services

After clarification of questions, the item was approved as presented.

- b. Withdrawal SPAs due to Stimulus Conditions
Presented by Alicia Jacobs, Deputy Director-Eligibility and Beneficiary Svcs.

The item was approved as presented.

- c. Return to SPA July 1, 2008 language due to Stimulus Conditions
Presented by Alicia Jacobs, Deputy Director-Eligibility and Beneficiary Svcs.

With all members in agreement, no vote was required.

VII. Closing Comments – Committee Chairman

Dr. Darby announced that the next meeting of the committee is scheduled for Tuesday, May 19, 2009.

VIII. Adjournment